



**Frederick County
Government
Frederick, Maryland**

News Release

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COUNTY COMMISSIONERS OFFER VOLUNTARY RETIREMENT INCENTIVE FOR ELIGIBLE EMPLOYEES

FREDERICK, MD – In an effort to provide budgetary savings, reduce payroll expenses and provide long-term Frederick County Government employees who would like to retire with financial assistance, the Frederick Board of County Commissioners today voted unanimously to provide eligible employees with a limited-time, [voluntary retirement incentive opportunity](#).

Funding for the plan will come from the FY2014 Operating Budget, not the county pension fund. The projected cost for the plan is \$1.9 million, which will be funded by the unallocated surplus in the budget. The total plan benefits paid out will not exceed the maximum amount budgeted for FY2014.

Based on years of service, 154 county employees are eligible to take advantage of the voluntary retirement incentive. The amount of the benefit will be a flat gross amount of \$25,000 per employee, and this amount will not be included in the employee's budgeted annual rate of pay, so it will not be included in the average pay calculation used for determining retirement benefits.

Board President Blaine Young said, "We commend our County Manager, the Budget Committee and our Human Resources staff for coming forward with a way to reduce the budget deficit and deal with reoccurring expenses. They looked at what other jurisdictions have done and helped us craft a workable and fiscally responsible incentive offer for our employees. The plan will produce immediate savings for reoccurring expenditures and deal with the structural budget deficit we face.

"The bottom line is that we continue to face a financial strain from a structural deficit. The cost savings from this plan will be seen immediately. We asked for the most conservative estimate available, so if all of the eligible applications for the plan are granted, the estimated payroll savings are \$32,000 per employee across the five retirement plans in the county system. That equals an estimated payroll savings of approximately \$2.4 million.

(more)

“This plan not only helps by reducing payroll expenses, but it rewards long-term employees who would like to retire with a financial boost. Some have said that this board has not shown enough care for our employees as we have addressed serious budgetary issues. But, this plan shows we are looking outside of the box to provide a special incentive for our faithful employees. We are grateful for their service to the citizens of Frederick County, and see this is as win-win for both the employees and taxpayers.”

The voluntary retirement incentive plan is strictly based on years of eligibility service. Qualified applicants must satisfy the full service eligibility requirement as defined by the covering retirement plan.

The county may limit the number of applicants for this plan in each department or division to avoid violating licensing or coverage requirements, impacting service levels and the ability to adequately staff service areas or properly supervise and manage staff, as well as to insure knowledge transfer from one employee to another.

Of the eligible employees across the five covered plans in the county, there would be no more than 75 applications accepted, and seniority would be a deciding factor when considering multiple applications from a department or division. Multiple retirements will be staggered from July 1 through October 1.

The county will give the employee at least 45 days to consider the offer, as well as seven days to revoke it. The county retains the right to restrict or refuse participation in the plan.

The application and waiver to participate in the plan will be available in the Human Resources Division. Interested employees must submit the forms by May 13 and will have until May 20 to keep or withdraw their applications.

A moratorium will be put in place with regard to re-hiring employees who participate in the plan – they will not be permitted to return to county employment in any capacity before July 1, 2015.

For more information, contact Assistant Director Tracy Lobuts, Human Resources Division, at 301-600-1070 or via e-mail at tlobuts@FrederickCountyMD.gov.

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